

**OFFER BY
GREAT NORTHERN CAPITAL CORPORATION LIMITED**

To the holders of shares of Western Heritage Properties Limited
(other than those resident in the United States of America or in the territories or possessions thereof)

The basis of the Offer is, subject to the provision respecting fractional shares set forth in the Offer, one fully paid and non-assessable share in the capital stock of Great Northern Capital Corporation Limited ("Great Northern") for each two shares in the capital stock of Western Heritage Properties Limited deposited before the expiry date.

The Offer, subject to extension by Great Northern, will expire at 4:30 P.M., Toronto time, on January 31, 1969. The right is reserved to Great Northern to extend the date of expiry of the Offer period beyond January 31, 1969.

This Offer is set forth in full on pages 2 and 3.

OFFER

To the holders of shares of Western Heritage Properties Limited
(other than those resident in the United States of America or in the territories or possessions thereof)

Great Northern Capital Corporation Limited ("Great Northern") hereby offers to purchase, subject to the terms and conditions hereinafter set forth, from the aforementioned holders thereof, all the issued and outstanding shares (the "Western Heritage shares") owned by them in the capital stock of Western Heritage Properties Limited ("Western Heritage"), on the following basis and for the following consideration:

One fully paid and non-assessable share in the capital stock of Great Northern for each two Western Heritage shares deposited before the expiry date, subject to the provision respecting fractional shares hereinafter set forth.

The expiry date of this Offer shall be 4:30 P.M., Toronto time, on January 31, 1969, unless extended by Great Northern beyond such date.

This Offer is subject to the following terms and conditions:

- 1. Period and Manner of Acceptance.** This Offer may be accepted by the aforementioned holders of Western Heritage shares only by their depositing, prior to the expiry date or during any subsequent period with respect to which this Offer may be extended as hereinafter provided, at any one of the offices of Montreal Trust Company (the "Exchange Agent") specified in the Letter of Transmittal enclosed herewith, the appropriate certificate or certificates representing the shares in the capital stock of Western Heritage in respect of which the Offer is being accepted accompanied by a duly completed and signed Letter of Transmittal in the form enclosed. Such certificate(s), if registered in the name of the shareholder accepting this Offer, need not be endorsed by such shareholder, but the Letter of Transmittal must be executed and the execution thereof guaranteed, all as specified in the Letter of Transmittal.
- 2. Fractional Shares.** No fractional Great Northern shares will be issued. If a fractional interest in a Great Northern share arises as a result of acceptance of this Offer, such fractional interest will be dealt with as in this paragraph provided. Fractional interests will be settled by the Exchange Agent paying in cash or by cheque to each holder of Western Heritage shares who would otherwise be entitled to receive a fractional Great Northern share, an amount based upon the mean of the closing quotes of Great Northern shares on the Toronto Stock Exchange on the date of this Offer.
- 3. Extension of Expiry Date.** Great Northern, in its discretion, may from time to time extend the time for acceptance of this Offer by mailing notice of such extension to the then registered holders of Western Heritage shares, such mailing to be made on or before the expiry date or, in the event the Offer has theretofore been extended, on or before the expiry of the then extended period.
- 4. Delivery of Great Northern Shares.** If the conditions set forth in Paragraph 1 are complied with, certificates representing the Great Northern shares to be exchanged for Western Heritage shares, accompanied by payment of the cash portion, if any, representing the fractional share interest, shall, within ten (10) days after the expiry date of this Offer, be delivered to shareholders accepting this Offer or, at the option of Great Northern, shall be forwarded by first class insured mail to shareholders accepting this Offer at their respective addresses specified in the Letter of Transmittal referred to above, or in the event that no such address is so specified, at the respective addresses of such shareholders as the same appear in the books of Western Heritage.
- 5. Use of Mails.** Shareholders who wish to forward their certificates by mail are advised to use first class insured mail for their own protection.
- 6. Right to Withdrawal.** Any shares deposited pursuant to this Offer may be withdrawn at any time until the expiration of seven (7) days from the date of this Offer.

7. **Transfer Taxes.** Great Northern will pay all applicable security transfer taxes payable in respect of the transfer to it of the Western Heritage shares.

8. **Opinion of Counsel.** The opinion of Counsel for Great Northern shall be conclusive as to all questions relative to compliance with the terms of Paragraph 1 hereof, including the propriety of execution of Letters of Transmittal and other documents.

Additional copies of this letter and the enclosed form of Letter of Transmittal may be obtained from the Exchange Agent.

GREAT NORTHERN CAPITAL CORPORATION LIMITED

A handwritten signature in dark ink, appearing to be 'M. J. ...', written over a horizontal line.

President.

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GREAT NORTHERN CAPITAL CORPORATION LIMITED

President's Report

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GREAT NORTHERN CAPITAL CORPORATION LIMITED

INTERIM REPORT

Six months ended June 30, 1969

GREAT NORTHERN CAPITAL CORPORATION LIMITED

President's Report

To the Shareholders:

I am pleased to present the interim report of your company for the six-month period ended June 30, 1969. It should be noted that the financial statements include the accounts of Rodell Corporation (1967) Limited and its consolidated subsidiaries which were acquired effective January 1, 1969. This acquisition accounts for most of the significant changes to the consolidated balance sheet.

Consolidated net income of your company for the six months ended June 30, 1969 was \$778,561 or 35¢ per share as compared with \$2,552,028 or \$1.23 per share (\$1.13 based on present shares outstanding) for the same period in 1968. A substantial reduction in land sales for the first six months primarily due to market timing was the most significant factor in the decline in net income from the prior period. However, it is anticipated that sales for the last six months will make the annual results more closely comparable with 1968.

Your company's 5% convertible income debenture issue was 98.8% subscribed, the remaining 1.2% being taken up by the underwriters. A total of \$9,677,100 was issued, \$6,947,100 to shareholders for cash, \$2,450,000 for the acquisition of Rodell and \$280,000 for the acquisition of certain new properties. This along with purchase mortgages assumed on new land acquisitions has led to the increase in the long-term debt of the company.

RESIDENTIAL PROPERTIES DIVISION

Eastern Canada

Sales in Etobicoke were \$244,000 as compared with \$2,005,000 in the prior period. An apartment site sale which contributed substantially to net income in the prior period represents the bulk of the difference.

Sale of lots in Markham and Burlington, Ontario totalled \$170,500, down \$1,717,900 over the similar period last year due to a lack of saleable inventory. It is anticipated that the availability of serviced lots in the last half of this year will result in a sales position more closely comparable with last year. Sales to June 30, 1969 in the company's industrial parks in Markham and Burlington were down slightly from the similar period in 1968.

Construction of the company's 54 unit town house project in Markham is continuing ahead of schedule. The model suites for rental purposes will be completed by mid September.

Your company has completed the acquisition of approximately 600 acres in the Town of Oakville and this accounts for a large portion of the increase in non-current land inventory.

Western Canada

Improved market conditions in the company's Sherwood Park project were partly reflected in sales of \$593,000, up \$385,000 over those in the prior period. The company had sales pending on June 30 of a further \$1,063,000 and it is expected that these and additional sales will be recorded in the last half of this year and will result in a substantially higher sales value from the prior year.

LEISURE PROPERTIES DIVISION

Sales at the company's vacation home development, Hemlock Farms, were \$1,227,000, down about \$30,000 from those in the 1968 period. The number of lots sold was down 25% because the company was unable to

document lot sales in the month of June pending acceptance of a new filing required by U.S. federal authorities from land development companies. This filing has since been complied with.

Significant additions were made to land inventory with the acquisition of some 500 acres in the upper New York State area and approximately 450 acres in Pennsylvania. These acquisitions are represented by three projects which are presently under way. One project called Rainbow Lake is located 90 miles north of Albany and consists of approximately 240 acres. Another called The Headlands is composed of approximately 260 acres and is located on Lake Champlain, seven miles north of Plattsburgh, New York and 60 miles from Montreal. The third parcel is named Lake-in-the-Clouds and is located some 12 miles west of our Hemlock Farms project in the Pocono Mountains of Pennsylvania. It consists of approximately 450 acres of developable land with an additional 75 acres of lakes and ponds.

In addition the company has acquired the right to purchase over 9,000 acres of property for future development near Old Forge in the Adirondack Mountains of northern New York State.

COMMERCIAL PROPERTIES DIVISION

Since inception in April of this year this new division has been actively exploring investment and development opportunities in the income properties field. Several interesting projects are currently under review.

Two acquisitions have been completed, details of which are as follows:

- (i) Toronto Professional Building—Your company acquired this modern 16 storey office building located in downtown Toronto at 123 Edward Street on August 1, 1969 for \$5,364,000. It is the intention of the company to move its executive offices to the 14th floor of this building in the near future;
- (ii) Towers of Polo Park—This is a 222 unit apartment building with about 30,000 sq. ft. of commercial space in the base, now under construction in Winnipeg with completion scheduled for late spring of 1970. Your company's initial investment was \$300,000 representing a 75% interest in the joint venture and we have undertaken to provide the interim financing necessary to this project.

In future we shall plan most of our development of commercial properties by land assembly and utilization of present land holdings.

BRICK PRODUCTS DIVISION

Sales of your company's brick products division continued at a brisk pace for the first six months of 1969. Sales values amounted to \$1,400,000 up \$73,000 over those for the similar period in 1968. Construction strikes slowed up the company's expansion and modernization programme and it is not expected that the new kiln will be fired until late 1969. As a result the increase in production capacity of 50% will not contribute to earnings until 1970.

RODELL GROUP

Operations of the Rodell group of companies for the six months ended June 30 have improved significantly over those in the prior period with a net improvement in profit of some \$405,000. The major contributing factors to this substantial improvement have been increased sales by the Drilling and Delro divisions as well as proportionately reduced costs in these two divisions and the Deisel and Equipment division. Another factor was a profit contribution by the Wood Products division.

Drilling Division

Sales of this division were \$3,874,000, up \$987,000 or 29 % over those of the prior period reflecting the continuing demand for diamond drilling work. New field bases were established at Watson Lake, Yukon Territory and LaRonge, Northern Saskatchewan to service this increased demand. Research for improved methods of deephole drilling and major re-equipment programmes to improve productivity should result in higher future profits.

Delro Division

Since the drilling division is a major purchaser of components manufactured by this division, sales have increased to \$803,000 up 21 % over those in the similar period of 1968. New cost control techniques have reduced direct costs in relation to sales resulting in substantially improved gross margins. This division is continuing to place emphasis on product research, particularly with respect to drilling and industrial bits, in order to improve the competitive position of the drilling division.

Equipment Division

Sales in this area continued at a very low level reflecting a slowdown in the construction industry in Manitoba. Improved equipment and parts inventory management are expected to reduce over-all costs of the division.

Wood Products Division

Demand for particle board was strong in the first six months and has enabled this division to operate profitably. The first two phases of the division's start up programme, namely a three-shift production of particle board and log handling and saw mill facility installations, were completed and the third phase comprising full activation of particle board finishing facilities is under way.

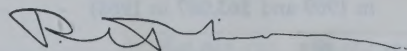
It is anticipated that the Rodell group will make a significant contribution to the consolidated net income of your company in 1969.

GENERAL

During the period your company acquired a further 473,463 shares of Western Heritage Properties Limited by way of share exchange thereby raising the company's ownership of Western Heritage to 98.4 %.

Your company has recently entered into an agreement in terms of which The Little Long Lac Gold Mines Limited and associated companies and your company will each own 243,000 shares of Transair Limited. Your company and Little Long Lac group will be granted share purchase options by Transair over an additional 200,000 treasury shares each at \$5.00 per share exercisable to August 30, 1972. Both Great Northern and Little Long Lac will enter into a voting trust for a period of five years. Your company has also undertaken to finance the acquisition and lease to Transair of two Boeing 737 twin jet aircraft at an approximate cost of \$10,500,000 for which financing has been arranged. Your company feels that the additional equity funds and re-equipment programme coupled with the recently defined policy as set out by the Minister of Transport relative to the regional air carriers will allow Transair to properly fulfil its role as a regional carrier. Your company feels that its investment in Transair will be most rewarding.

Respectfully submitted,



President

GREAT NORTHERN CAPITAL

(Incorporated as a Public Company)

AND ITS CONSOLIDATED

Consolidated Balance Sheet

(with comparative figures for 1967)

ASSETS

	June 30, 1969	December 31, 1968
Current:		
Cash and bank term deposits - - - - -	\$ 6,128,017	\$ 2,030,194
Accounts receivable - - - - -	3,391,790	1,066,506
Amounts receivable under sale agreements - - - - -	3,944,113	3,957,215
Inventories:		
Land, including development costs of \$3,499,353 in 1969 and \$1,451,964 in 1968 - - - - -	4,446,540	2,096,004
Other, at the lower of cost or estimated net realizable value - - - - -	4,098,452	418,073
Notes and mortgages receivable due within one year - - - - -	6,486	21,148
Prepaid expenses - - - - -	205,416	97,452
Total current assets - - - - -	22,220,814	9,686,592
Land inventory, less amount included in current assets - - - - -	6,714,955	4,023,264
Land options - - - - -	122,989	22,388
Notes and mortgages receivable, less amounts due within one year included in current assets - - - - -	1,423,118	1,377,216
Investment in and advances to unconsolidated subsidiaries - - - - -	334,492	—
Investment in a land development partnership - - - - -	300,880	429,164
Investment in income-producing properties under construction - - - - -	375,395	—
Fixed assets net of accumulated depreciation - - - - -	10,126,662	4,128,196
Other assets—at cost - - - - -	396,772	445,339
Unamortized debt discount and expense (accumulated amortization amounts to \$69,198 in 1969 and \$63,067 in 1968) - - - - -	46,093	52,224
	<u>\$42,062,170</u>	<u>\$20,164,383</u>

RODELL CORPORATION LIMITED

(Incorporated under the laws of Ontario)

SUBSIDIARY COMPANIES

Statement as at June 30, 1969

(Statement as at December 31, 1968)

LIABILITIES AND SHAREHOLDERS' EQUITY

	June 30, 1969	December 31, 1968
Current:		
Bank indebtedness—secured - - - - -	\$ 493,323	\$ 41,239
Accounts payable and accrued liabilities - - - - -	3,605,274	1,116,557
Income taxes payable—current (secured) - - - - -	413,466	791,410
—deferred - - - - -	513,775	498,800
Accrued interest - - - - -	142,297	56,505
Estimated costs to complete subdivisions under development - - - - -	2,406,889	859,185
Current instalments on long-term debt - - - - -	1,942,797	660,346
Total current liabilities - - - - -	<u>9,517,821</u>	<u>4,024,042</u>
Long-term debt, less current instalments included in current liabilities - - - - -	<u>22,525,185</u>	<u>7,159,960</u>
Minority interest - - - - -	<u>80,263</u>	<u>645,018</u>
Shareholders' equity:		
Capital stock—		
Authorized:		
7,500,000 shares without par value (2,500,000 in 1968)		
Issued and fully paid:		
2,321,921 shares (2,079,630 in 1968) - - - - -	3,187,826	1,684,233
Surplus—per statement - - - - -	6,751,075	6,651,130
Total shareholders' equity - - - - -	<u>9,938,901</u>	<u>8,335,363</u>

NOTE:

The June 30 figures include the accounts of Rodell Corporation (1967) Limited and its consolidated subsidiary companies.

Long-term debt includes \$9,677,000, 5% convertible income debentures.

<u>\$42,062,170</u>	<u>\$20,164,383</u>
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GREAT NORTHERN CAPITAL CORPORATION LIMITED
AND ITS CONSOLIDATED SUBSIDIARY COMPANIES

Consolidated Statement of Income
for the six-month period ended June 30, 1969

(with comparative figures for the six-month period ended June 30, 1968)

	1969	1968
Sales:		
Land - - - - -	\$ 2,380,339	\$ 5,646,788
Manufacturing and other - - - - -	8,895,281	2,120,744
	<u>11,275,620</u>	<u>7,767,532</u>
Cost of sales:		
Land - - - - -	787,289	1,625,549
Manufacturing and other - - - - -	5,913,287	1,455,068
	<u>6,700,576</u>	<u>3,080,617</u>
Gross profit - - - - -	4,575,044	4,686,915
Interest income - - - - -	210,804	85,228
Other income - - - - -	87,838	44,773
	<u>4,873,686</u>	<u>4,816,916</u>
Expenses:		
Operating, selling and administrative - - - - -	3,002,588	1,389,351
Interest—		
Long-term debt - - - - -	419,355	256,120
Other - - - - -	92,506	56,714
Depreciation, depletion and amortization - - - - -	426,949	151,533
Amortization of debt discount and financing expense - - - - -	6,131	6,007
	<u>3,947,529</u>	<u>1,859,725</u>
	926,157	2,957,191
Company's share of net income (losses) of a partnership and unconsolidated subsidiaries - - - - -	(3,985)	29,674
	<u>922,172</u>	<u>2,986,865</u>
Provision for income taxes - - - - -	644,000	840,000
Net income before extraordinary items - - - - -	<u>278,172</u>	<u>2,146,865</u>
Add extraordinary items:		
Income tax credits resulting from the application of loss carry-forwards-	618,000	470,000
Other - - - - -	(72,137)	(64,837)
	<u>545,863</u>	<u>405,163</u>
	824,035	2,552,028
Less minority interest - - - - -	45,474	—
Net income for the period - - - - -	<u>\$ 778,561</u>	<u>\$ 2,552,028</u>
Earnings per share (based on the weighted average number of shares outstanding during the period) - - - - -	<u>\$0.35</u>	<u>\$1.23</u>

NOTE

1968 figures have been restated to reflect, as extraordinary items, income tax credits arising from the application of loss carry-forwards and the write-off of unamortized peat moss expenditures.

GREAT NORTHERN CAPITAL CORPORATION LIMITED
AND ITS CONSOLIDATED SUBSIDIARY COMPANIES

Consolidated Statement of Surplus
for the six-month period ended June 30, 1969

(with comparative figures for the six-month period ended June 30, 1968)

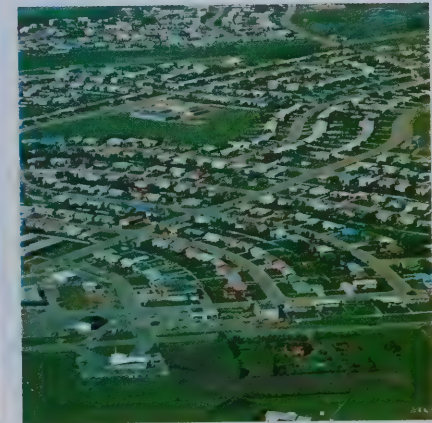
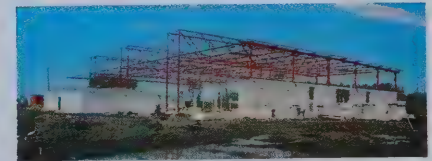
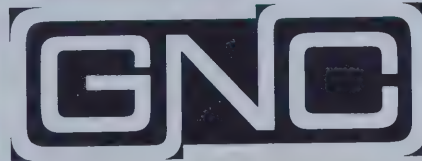
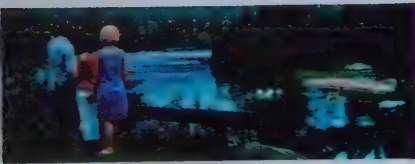
Earned Surplus		1969	1968
Balance at beginning of the period - - - - -		\$ 6,511,578	\$ 2,515,875
Add:			
Net income for the period - - - - -		778,561	2,552,028
		7,290,139	5,067,903
Less:			
Write-off of excess of cost of investment in subsidiary companies over the underlying book value of their consolidated net assets at date of acquisition - - - - -		678,352	25,000
Balance at end of the period - - - - -		6,611,787	5,042,903
Appraisal Surplus			
Balance at beginning of the period - - - - -		139,552	170,704
Less:			
Amount earned on land sold during the period - - - - -		264	30,623
Balance at end of the period - - - - -		139,288	140,081
Total surplus - - - - -		\$ 6,751,075	\$ 5,182,984

GREAT NORTHERN CAPITAL CORPORATION LIMITED
AND ITS CONSOLIDATED SUBSIDIARY COMPANIES

**Consolidated Statement of Working Capital and Source and
Application of Funds for the six-month period ended June 30, 1969**

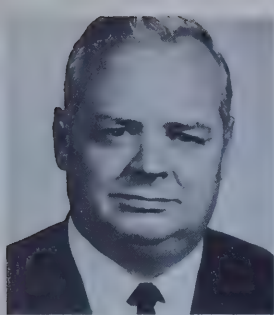
(with comparative figures for the six-month period ended June 30, 1968)

	1969	1968
Balance of working capital at beginning of the period - - - - -	\$ 5,662,550	\$1,125,327
 Funds provided by:		
Operations, excluding charges not requiring funds (depreciation, depletion, amortization and other) of \$443,048 in 1969 and \$568,081 in 1968 - - - - -	1,221,609	3,120,109
Issue of 5% convertible income debentures - - - - -	9,677,100	—
Increase (reduction) in other long-term debt - - - - -	1,316,930	(255,727)
Distribution from a land development partnership - - - - -	163,790	—
Issue of shares for cash - - - - -	38,955	—
	<u>12,418,384</u>	<u>2,864,382</u>
 Funds used for:		
Purchase of Rodell Corporation (1967) Limited less working capital at date of acquisition - - - - -	1,115,401	—
Net purchase of fixed assets - - - - -	1,130,386	115,579
Increase (decrease) in non-current portion of land inventory - - - - -	2,691,691	(123,006)
Investment in income-producing properties under construction - - -	375,395	—
Other—net - - - - -	65,068	217,465
	<u>5,377,941</u>	<u>210,038</u>
Net increase in working capital - - - - -	<u>7,040,443</u>	<u>2,654,344</u>
 Balance of working capital at end of the period - - - - -	<u>\$12,702,993</u>	<u>\$3,779,671</u>





Great Northern Capital Corporation Limited
Head Office
Toronto Professional Building
123 Edward St.,
Toronto 101,
Ontario



Significant changes have taken place in the financial and management structures of our company since year-end and these have affected, to some degree, our corporate goals and philosophy.

This brochure should answer many questions on our present operations and plans for the future.

August 30, 1969.

R. H. McIsaac
President

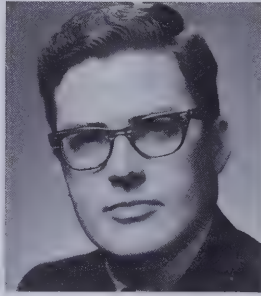
Board of Directors

A. L. BEATTIE, Q.C.	Toronto, Ontario
J. O. BOISI	New York, New York
S. R. HORNE	Toronto, Ontario
G. F. H. NELSON	New York, New York
R. H. McISAAC	Toronto, Ontario
A. P. MURPHY	Toronto, Ontario
G. J. RISBY	Toronto, Ontario
J. D. TAYLOR, Q.C.	Toronto, Ontario
R. M. THOMSON	Toronto, Ontario

GNC Head Office Executives



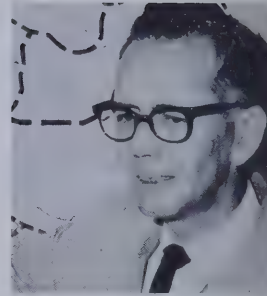
A. V. MAURO, Q.C.
Executive Vice-President



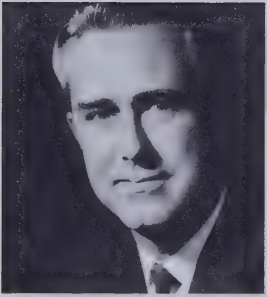
J. C. DAVIES, C.A.
*Vice-President—
Commercial Properties*



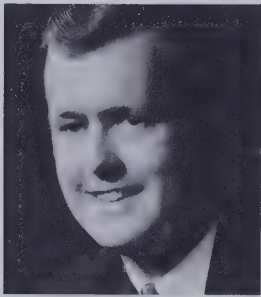
C. D. SMITH, P.ENG.
*Vice-President—
Construction*



J. D. RITCHIE
*Vice-President—
Leisure Properties*



A. R. VOELKER, C.A.
*Vice-President—
Residential Properties*



D. E. FOX, C.A.
Secretary and Treasurer



R. R. STONE, C.A.
Comptroller

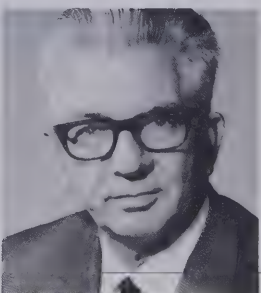


PAUL FORTIN, LL.B.
Assistant to the President

The Rodell Group



G. C. McIsaac
*Executive Vice-President
and General Manager*



G. G. BRANDSON, C.A.
Secretary-Treasurer



F. W. WEIPERT, B.COMM.
Vice-President



L. R. McDONALD
*General Manager
Eastern Canada*

The Future of GNC

The company's continued interest in land development is evidenced by our expansion and specialization in this field. The expansion is clearly seen on these pages. Specialization has been introduced by establishing three separate divisions; residential, commercial and leisure properties.

In the past, the company has been primarily interested in subdividing its acreage and selling the properties for single-family dwellings and commercial use. Single-family lots will continue to be sold but we will now tend to retain revenue-bearing properties.

Commercial property will be examined by the Commercial Properties division and, if feasible, developed for the company. Similarly, multi-family lots may be used by the company to build high-rises and town-house units. This may tend, in the initial stages, to drop earnings from the sale of land but the assets of the company will be increased substantially and provide a base of earnings for years to come.

The Commercial Properties division is already investigating a number of interesting opportunities for downtown investments in major cities across Canada and in the United States. This division hopes to make major announcements soon concerning commercial properties and industrial sites which may be purchased for development of income properties.

Anticipating the needs of vacation-land home buyers, a major expansion has been undertaken in the Leisure Properties division as will be seen in this brochure. Substantial pieces of land have been acquired and we expect to make more purchases in the United States, Canada and the Caribbean.

Major diversification began with the purchase of the Rodell Corporation at the beginning of the year. Rodell, in itself, is a very diversified group of companies.

The Rodell Group implemented a new information system in January and installed a Univac 9200 computer which became fully operative in August.

Extensive research of improved drilling methods, specifically percussion drilling, has resulted in a substantial increase in Midwest Drilling's productivity and revenues. Research for improved methods of deephole drilling is expected to bear fruit late this year and result in additional profit contributions through this new service line in coming years.

Delro Industries is continuing strong product research, particularly with diamond and industrial bits, to improve the competitive position of its customers by

lowering their diamond costs. A computer-based inventory management and production scheduling system is being developed to reduce production and inventory-carrying costs.

Columbia Forest Products plans for an increase in lumber mill production, greater use of waste materials from the lumber mill as raw materials for the particle board mill, and introduction of additional product lines.

The company is now actively investigating the possibilities of more additions to broaden the base of industrial operations and to further stabilize earnings. A transportation arm and other opportunities are being studied.

We have been fortunate in forming a young, competent management team which is backed by more than 1,000 efficient, dedicated and loyal employees who gain for us the confidence of customers and investors. The company recognizes that it must manage its people with the same degree of care and foresight as it does its financial and physical resources.



Residential Properties — Eastern Canada

Etobicoke

This property originally contained approximately 3,000 acres in Etobicoke in the west end of Toronto and was assembled by Robert Home Smith in the early 1900's. The company has developed the property over the years and spearheaded the concept of the designed-planned community. By 1954, there were still 1,200 acres available for development and the bulk of these have been serviced and sold by the company since.

Although only about 65 acres remains in inventory, approximately 40 of which are to be expropriated for highway purposes, the company estimates that the gross retail value of this remaining land is in excess of \$6 million. The main parcel containing approximately 20 acres is zoned for high-rise apartments and provides for the construction of 972 suites.

Additionally in Etobicoke, the company has retained an option to purchase an apartment project containing 234 suites which is now under construction on land previously sold.



Burlington

The company assembled property in 1964 comprising a total land holding of approximately 650 acres. The first stage consisting of 50 acres has been serviced and sold and the second stage of approximately 45 acres, containing 120 single-family residential lots and provision for multi-family dwellings, is now available for sale. The next phase will be serviced and available for sale in 1970.



- UNDER DEVELOPMENT
- COMPLETED

Markham

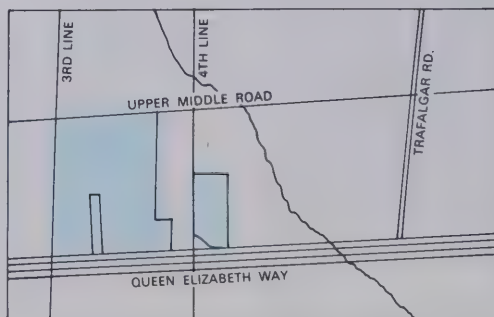
This project originally comprised approximately 500 acres of which 200 acres remain and are to be developed for residential use over the next four to five years. The next phase of development containing approximately 200 single-family residential lots will be placed on the market next summer. The company also holds an option to purchase 100 acres of land in Markham Township.

Additionally, the company is constructing a town house project containing 54 units which is slated for completion and renting in late 1969.



Oakville

A recent purchase of 615 acres of land immediately north of the Queen Elizabeth Way has been completed. The company proposes to put forward plans to develop this property for residential use within the next few years.



M. J. Wardman, P.ENG.
General Manager

Midwest Drilling

Midwest, the senior division of the Rodell Group, had its modest beginnings in Flin Flon some 30 years ago, and became a leader in the fields of diamond drilling, soils and foundation testing, masonry drilling and grouting, and in the stabilization of rock using stressed steel.

Midwest's exploration drilling has been a factor in many of Canada's major mineral discoveries. Its crews have played prominent roles in surface and underground work for Hudson Bay Mining and Smelting at Flin Flon, and International Nickel at Thompson, Manitoba, for Kennco Exploration at Anuk, British Columbia, and for the Manitoba Government at Grand Rapids and on the Nelson River project.

In the past ten years, drills which have cored over 2,200 miles of rock, have functioned on trucks or tracks, skids towed by tractors, and on barges for offshore exploration. Transportation is as varied as the jobs requiring it — crawler tractors, boats, barges, aircraft, helicopters, and even packhorses. Communications include telex, teletype, and radio.



Today you will find Midwest crews and equipment in the Rockies and in the mineral-rich North, on assignments across the continent, and operating from branches in Kamloops, B.C., Toronto, and Flin Flon, Thompson, and Winnipeg, in Manitoba. Field bases are in operation at Watson Lake, N.W.T., and La Ronge, Sask.



Photos show offshore, underground and overburden drilling.



D. Marshall, P.ENG.
General Manager

Leisure Properties

Hemlock Farms

Lord's Valley Country Club



A 4,500-acre recreational community in Pennsylvania's Pocono Mountains, and a prime example of total community planning, Hemlock Farms was acquired in 1963. Great Northern Capital made substantial investments in land-clearing around the three natural lakes, road-paving, fire and protection services, a central water system, and added many year-round recreational facilities.

Recreational facilities include playgrounds, swimming pools, tennis courts, bowling, fishing, sailing, and boating, ski slopes — including a 1,300-ft. tow-equipped slope, and 80 miles of bridle trails. In addition, Lord's Valley Country Club, with its 120-ft. heated swimming pool, and 14-hole golf course (18 holes in spring, 1970), is a captivating, private membership club under company management for at least two more years.

The company provides an on-property fire department and a full-time security patrol service enabling residents to get special low insurance rates. Value protection and continued privacy are ensured by

the surrounding 2,600 acres of game-filled state forest lands.

In 1968, land sales were \$3.5 million, almost \$1 million more than in 1967. In a little more than five and a half years, 1,800 half-acre, fully-developed and serviced homesites have been sold, and over 550 year-round vacation and retirement homes have been built. Projected figures indicate that, within three years, over 300 homes a year will be built, and the trend will continue for the next 12-15 years.

Mr. J. Douglas Ritchie, vice-president, Leisure Properties division, has guided the growth and development of Hemlock Farms, and was a key figure in the pioneering of year-round vacation home communities in the eastern United States.

All of the following properties have been acquired since the first of the year and represent a substantial expansion of the Leisure Properties division.



Lake in the Clouds

This resort community was acquired in May, 1969. Located 1,800 feet above sea level in the Pocono Mountains, 35 miles from Hemlock Farms, it will contain fewer than 600 home sites. The project is rolling along already. By early August, 27 lots were sold for a total of \$84,000.

Two lakes will be developed on the property within the next year, bringing the lake area to 20 per cent of the total community area. One hundred acres were developed by the previous owners. More than 350 acres remain to be developed. The company hopes to complete the project by 1973.

Three resort communities are planned for northern New York State. Two were acquired this April and options were taken on the land for the third.



Rainbow Lake Country

Rainbow Lake

Rainbow Lake Club is a small vacation community in a picturesque setting. Seventy acres have been developed with 170 acres remaining for home sites in the Adirondack Mountains, near streams or on the lake. The project is expected to be completed in 1971.

Rainbow Lake Club



Old Forge

Old Forge is in the planning and engineering stages. Options have been taken on 9,500 acres adjacent to the Valley of Old Forge, 50 miles north of Utica. The large tract near the Fulton Chain of Lakes contains several lakes. Development may begin as early as 1970. It will be on a total-community planned basis and provide many years of development and revenue for the company.



The Headlands

Seven miles north of Plattsburgh on Lake Champlain, is The Headlands, a new year-round community offering 500 lots; 200 on a 20,000-foot shoreline. Virtually all lots in the 270-acre development will have a view of the lake. The prime location of The Headlands will bring a high return per lot. The project is scheduled for completion about 1974.



The Old Mill

The Old Mill restaurant has become one of Canada's most famous and respected restaurants since it opened in 1914. Seating as many as 972 for banquets and 648 for dinner, it is popular among businessmen for lunches and is a dining rendezvous with dinner-dancing six evenings a week. Origin-

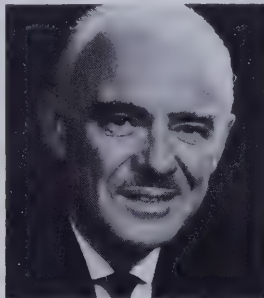
nally called "The Old Mill Tea Garden," it serves tea on Sundays, even yet.

Five private rooms, each with its individual decor, are available for meetings, receptions and parties.

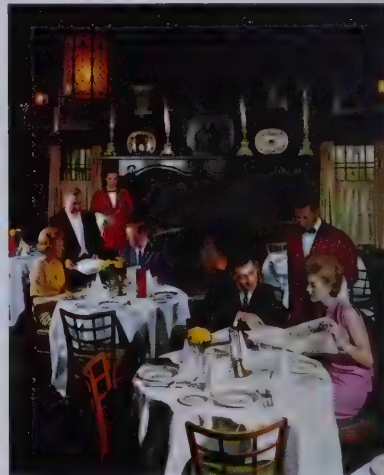
A second building on the premises is used as offices for the corporation comp-

troller's department and the Toronto-area staff of the residential division.

Visitors to Toronto enjoy the atmosphere of The Old Mill, its location on the banks of the Humber River, the gardens around the historic Old Mill ruins and the convenience of a subway station on the grounds.



T. B. Chute
General Manager



Diamond Clay Brick Products

Shortly after its formation in 1958, Diamond Clay Products was purchased by Great Northern Capital Corporation. The 100-acre plant site is located on one of Canada's finest buff-burning shale deposits in Burlington, Ontario.

Most North American brick, including Diamond Clay's, are formed by the stiff mud process. The Burlington plant processes 400 tons a day. The end product, "green" bricks, are manually stacked onto kiln cars in preparation for the drying-firing process which operates "around the clock" seven days a week. Present production is serviced by two kilns and dryers running at capacity.

Approximately 100 employees are involved in the manufacture and distribution of the finished product line. Brick colours are predominantly in the buff and pastel shades. Distribution of the annual production of 36 million bricks is essentially in Ontario.

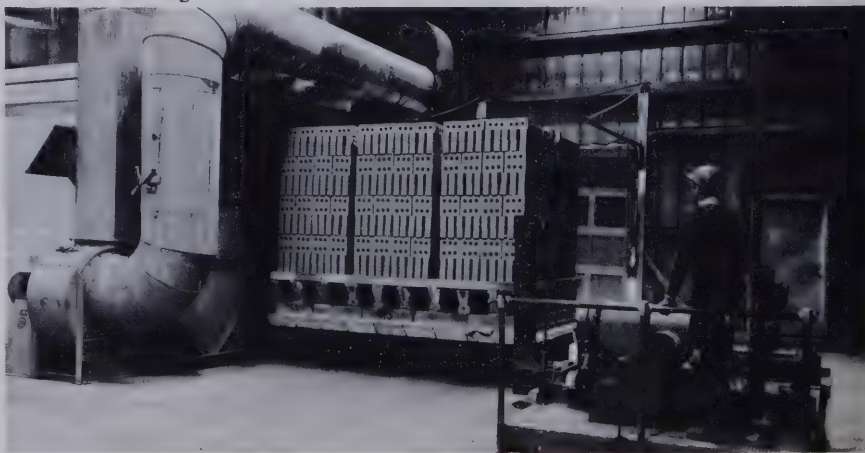
A \$400,000 reduction plant has recently been brought on stream, replacing the original equipment. A \$1 million expansion program is underway to provide a third tunnel kiln, which will increase the plant capacity by 50 per cent.

The company has a subsidiary near Buffalo, N.Y. — Empire Clay Products Inc., which produces approximately 15 million bricks a year.



H. V. Henderson, B.Sc.
General Manager

Fired brick leaving the tunnel kiln.



Delro Industries

Delro, the manufacturing arm of the Rodell group, produces all components needed in exploratory drilling, including rods, castings, core barrels, diamond bits and other material. It manufactures oil well coring bits, diamond wheels, dressing tools, diamond saws, masonry drills and adapters.

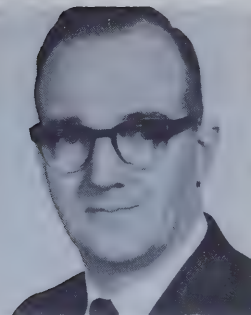
Using computer-assisted lathes, Delro manufactures component parts for major aircraft engine manufacturers, the Bristol Black Brant rocket, and for Anthes Western, Alco Equipment, Washtronics Ltd., and other manufacturers.

The division recently moved into new quarters in Winnipeg, consisting of a machine shop, bit plant, shipping and receiving area, and office space — totalling approximately 22,000 sq. ft.

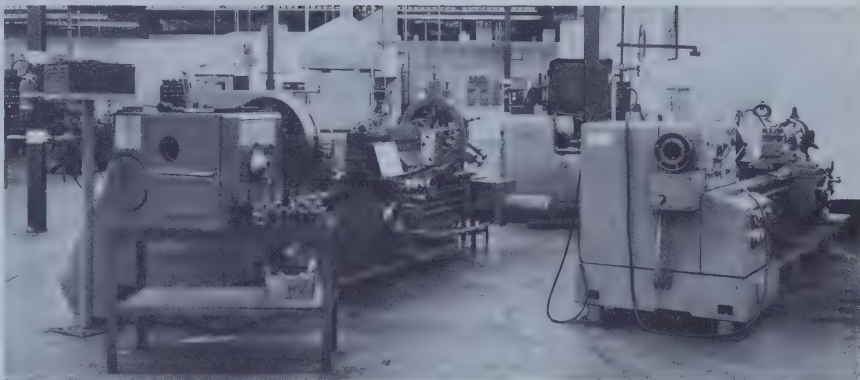
Delro sales are handled by the Winnipeg office and representatives in Toronto and Kamloops.

Delro is being given the opportunity to compete for the manufacture of components for the Lockheed L1011 Tri-Star jetliner, and the Douglas DC10 jetliner.

R. C. Herd
General Manager



Section of Machine Shop



Midwest Diesel

Midwest Diesel & Equipment, the heavy equipment distributor for the Rodell complex, handles sales, service and parts for GM TEREX crawlers, scrapers, tractors and front-end loaders. It sells and services Detroit Diesel engines for truck, marine, pumping and power-generating applications. Its Lakehead branch also sells Canadian Kenworth trucks. Other distributorships include Dominion Engineering, Canadian Ingersoll-Rand, and Universal Engineering.

Equipment from Midwest was seen on one of the greatest earth-moving jobs ever undertaken in North America — the Red River Floodway — and the massive power

development in Northern Manitoba representing the first harnessing of the Nelson River. The first Detroit Diesel 1000 h.p. 12V-149 turbo engines delivered to the mining industry in Canada were sold by Midwest. They power Steep Rock Iron Mines' 100-ton ore trucks.

Detroit Diesel's authorized rebuilt parts program, "reliabilt", is in full operation.

The modern plant in Winnipeg incorporates an air-conditioned office area, a fully-stocked parts department, and a large service area. The Lakehead branch moved into equally impressive new quarters last spring.

P. N. O'Grady
General Manager



Residential Properties — Western Canada



Sherwood Park

This satellite-concept community near Edmonton began in the early Fifties when a developer assembled 2,700 acres of land about 15 miles east of the city. When the company took over the project a few years later, a heavy capital investment was necessary to promote the concept and 300 homes were built to encourage people to move out of the city.

The present fully-serviced community of 9,000 persons contains 2,200 homes, mostly single-family dwellings. The company operates a public golf club with clubhouse facilities and a four-sheet curling rink.

In 1969, the company will sell as many lots as in the past five years due to the scarcity of developed lots in Edmonton. Six hundred acres remain to be developed and an option is held on 600 additional acres. The land will accommodate 5,500 single and multiple housing units, and will be developed over a period of 6-10 years. Ice Arena and Recreation Centre



River Heights

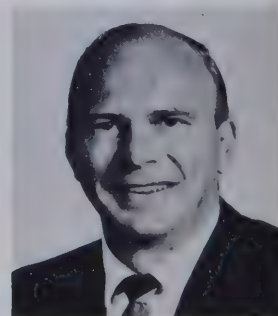
The company has a 55 per cent interest in a partnership which is developing home sites in the northwest section of Saskatoon on the banks of the North Saskatchewan River. Originally 262 acres, the project has 98 acres left to be developed. About 600 single-family residences have been built. The project should be completed by 1975 with about 400 more housing units added. In addition, the company owns 90 acres on the opposite side of the river which will be developed later.

Entrance to Broadmoor Country Club, Sherwood Park



Tsawwassen

Virtually completed, this project is south of metropolitan Vancouver. The last 23 lots were offered for sale late this summer. Overlooking the Straits of Georgia, the lots range in price from \$16,000 to \$35,000. The project should be completed by early 1970.



J. G. Paul, B.COMM.
General Manager

Columbia Forest Products

Columbia Forest Products is Rodell Corporation's most recent acquisition. The plant, south-east of Winnipeg near the U.S. border, was taken over by Rodell towards the end of 1967. Extensive renovations were made, and a saw mill was added to broaden the operations.

"Bison Board", the company's particle-board, is manufactured for furniture, doors, wall panelling, some with veneer finish, and flooring.

The manufacturing process requires wood chips to be converted into small thin flakes which are then combined with resin and wax and pressed under high pressure and steam. The resulting boards are sent through a sander to ensure finish and thickness. Bison Board is also available in a pre-finished state.

The kiln is completely hooked up. Full capacity is 90,000 FBM, and dries freshly-milled pine studs in a 48-hr. cycle. A new planer is almost ready for use and production will be 70,000 FBM an 8-hr. shift.

Sales are handled through the Winnipeg Sales Office with distributors in most major centres.

The whole operation will be brought to full production during the last part of the year.



Particle board plant.



K. L. MacCharles, MECH.ENG.
General Manager
(Columbia)

Canadian Cutting and Coring

This five-year-old national company is a wholly-owned subsidiary of the Rodell Group. Franchised companies operate in Toronto and Vancouver. They are, essentially, partnership arrangements between the national company and local management of each operation.

The companies' services include concrete core drilling, bump and surface cutting, wall and slab sawing for work on buildings, concrete structures, roads, airport runways and industrial floors under contract to construction contractors, municipalities, the Federal and Provincial governments.

Canadian Cutting and Coring (Toronto) Ltd. is under the direction of vice-president and general manager Ron Charette. Ed Paracy is vice-president and general manager of Canadian Cutting and Coring (Vancouver) Ltd.

Bump cutter installing safety grooves to prevent skidding.



Commercial Properties

This division began operation in May 1969. Already it is showing tangible results.

The company purchased the Toronto Professional Building, a downtown 16-storey office building near University Avenue, on August 1. Rental space is 170,000 sq. ft., and it is 95 per cent occupied. The head offices of Great Northern Capital Corporation occupy the 14th floor.

A 14-storey apartment block with 30,000 sq.ft. of commercial property and underground parking for 240 cars is under construction in Winnipeg. Directly across from the large Polo Park Shopping Centre containing both Eaton's and Simpsons-Sears stores, "Polo Park Towers" will contain 224 suites. Tenants will move into the apartments next April.

The intention of the company in the income properties investment area will be to

create a well-balanced portfolio of commercial real estate. The diversification of investment will occur both geographically (across Canada and offshore), and in the type of real estate developed or purchased. There will however be a decided emphasis on major urban areas, within which office structures, high-density residencials and mixed commercial complexes will be undertaken.

We are actively examining properties in Victoria, Calgary, Winnipeg, and Toronto, and expect to announce further commitments in the near future.



Toronto Professional Building

Artist's drawing
of Polo Park Towers, Winnipeg



